

ADDENDUM

EXHIBIT "A"

JAN 22 2002 00:19 PM

American Home Assurance Company
Boston Regional Office
99 High Street
Boston, Ma. 02110

December 14, 1999

Mike Christian
 Risk Strategies Company
 79 Milk Street, Suite 800
 Boston, Ma 02109

Post-It™ brand fax transmittal memo 7571		# of pages 2
To	From	
Mr. Mike Christian	I Union	
Co.	Co.	
Risk Strategies	AIG	
Dept.	Phone #	
Fax #	Fax #	
350 6444	457 6867	

Re: Integrated Health Services, Inc.
 Umbrella
 Renewal of: 357 4343

Dear Mike:

In confirmation, National Union is quoting the following:

Policy Period: January 1, 2000 to January 1, 2001
 Carrier: National Union Best Rating A++ XL
 Limits of Liability: \$25,000,000 each occurrence
 \$25,000,000 general aggregate
 \$25,000,000 products/completed operations aggregate

Required Underlying Retentions:

General Liability: 1m/5m/5m
 Professional Liability: 2m/12m/12m
 Auto Liability: 2 mil cst
 Employers Liability: 1m/1m/1m

Premium Determination

Option #1

2 Year Annual Installments

1st year - \$985,0002nd year - \$1,150,000

Minimum Premium - \$2,115,000

NU-U/W 01150

GSMC 001145

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December 15, 1999

Option #2

2 Year Pre-paid - \$1,850,000

Minimum Premium - \$1,850,000

Premium Payment due within 30 days

Commission: Net

Subject to: Annual installment policy premium contingent upon:

- 1) No estimated loss penetration during first year of policy
- 2) No increase in beds above 20% of current level
- 3) No change in core operations
- 4) This policy will be subject to a quarterly claims review conducted by AIG personnel to determine that claims are being handled in accordance with generally accepted claim handling guidelines.

Form, terms and conditions to be adapted from expiring.

If non-admitted paper needed, surplus lines tax will apply.

Allocated loss expense is outside of limit.

Should you have any questions, please do not hesitate to contact me at (617)457-2930.

Sincerely,


Jeffrey C. Matzke
Director National Accounts

NU-U/W 01151

GSMC 001146

EXHIBIT “B”



American International Companies®

BOSTON REGIONAL OFFICE

99 High Street

Boston, MA 02110-2320

TEL: 617/457-2700

December 27, 1999

Mike Christian
Risk Strategies Company
79 Milk Street, Suite 900
Boston, MA 02109

Re: Integrated Health Services, Inc.
Umbrella
Renewal of: 357 4343

Dear Mike:

In confirmation, National Union is binding the following:

Policy Period: January 1, 2000 to January 1, 2002

Carrier: National Union Best Rating A++ XL

Limits of Liability: \$25,000,000 each occurrence

\$25,000,000 general aggregate

\$25,000,000 products/completed operations aggregate

Required Underlying Retentions:

General Liability: 1m/5m/5m

Professional Liability: 2m/12m/12m

Auto Liability: 2 mil csl

Employers Liability: 1m/1m/1m

Premium: \$1,900,000 net

(Various commission considerations discussed and approved by R.V.P. and marketing are independent of this proposal).

NU-UW 01228

GSMC 001223

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December 27, 1999

Premium Payment due within 30 days

Commission: Net

Subject to: Annual Installment policy premium contingent upon:

- 1) No estimated loss penetration during first year of policy
- 2) No increase in beds above 20% of current level
- 3) No change in core operations
- 4) This policy will be subject to a quarterly claims review conducted by AIG personnel to determine that claims are being handled in accordance with Generally accepted claim handling guidelines.

Form, terms and conditions to be adapted from expiring:

Allocated loss expense is outside of limit.

Should you have any questions, please do not hesitate to contact me at
(617) 457-2930.

Sincerely,



Jeffrey C. Meserve
Director National Accounts

NU-U/W 01229

GSMC 001224

EXHIBIT "C"



American International Companies®

BOSTON REGIONAL OFFICE
99 High Street
Boston, MA 02110-2320
TEL. 617/457-2700

January 29, 2000

Jennie Wu
Lockton Companies
7910 34th Avenue #5G
Jackson Heights, NY 11372

Re: Integrated Health Services of Lester
Umbrella Policy BE 357-43-44
Expiration 01/01/2000
Renewal Binder

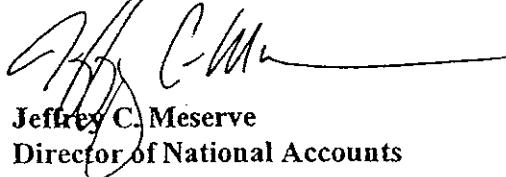
Dear Jennie,

Confirming our December 29th conversation, AIG is binding renewal, terms and conditions as expiring (to include corrections addressed in our 12/28 telecon).

Premium: \$19,000 flat annual
Commission: 10%

Policy #357-4386 Assigned.

Thank you


Jeffrey C. Meserve
Director of National Accounts

NU-U/W 00628